



Energy and Telecommunication Interim Committee  
Montana State Legislature  
Room 172 – State Capitol  
Helena, MT 59620

**Via email**

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Dear Members of the Committee and staff,

The undersigned utility companies write to thank the committee members and staff for the invitation to attend and speak to the committee at its July 29<sup>th</sup>, 2019, meeting regarding the implications of the announced closure of units 1 and 2 of the Colstrip Steam Electric Station (“facility”) this year. As previously expressed to staff, we are explaining in this letter our rationale for not appearing before the Committee to answer the questions posed to all of the owners of the facility. The utilities represented here are, in order of share of ownership:

Portland General Electric (“PGE”), headquartered in Portland, Oregon, serves over 889,000 customers in a contiguous, 4,000 square mile service territory in the northern Willamette Valley. In Montana, PGE has a 20% ownership interest in each of units 3 and 4 and is a joint system owner of the twin 500-kilovolt lines that carry electricity from the facility west to Townsend, known as the Colstrip Transmission System (“CTS”).

Avista Corporation provides electric service to 395,000 customers and natural gas service to over 362,000 customers in Washington, Idaho, Montana and Oregon. Avista operates the largest privately held dam in the State of Montana on the Clark Fork River at Noxon Rapids. Avista owns 15% of units 3 and 4 at the facility and holds a share of the CTS.

PacifiCorp serves almost 1.9 million customers in Utah, Wyoming, Idaho, Oregon, Washington and California. In Montana, the company has a 10% ownership interest in each of units 3 and 4 at the facility and also owns the Bigfork Hydroelectric Project in the Swan River in Flathead County. PacifiCorp also holds a share of the CTS.

Our reasoning for submitting this letter is straightforward. As described, PacifiCorp, Avista and PGE hold an ownership interest in each of units 3 and 4 of the Colstrip facility and own no share of units 1 and 2. We believe that the owners of units 1 and 2, namely Puget Sound Energy and Talen Energy, are uniquely

situated to answer questions about replacement power for the energy from those units, their coal contract to supply units 1 and 2, implications for the CTS and large customer contracts in Montana, impacts on plant operations, and associated regulatory matters. We are confident that Ron Roberts from Puget Sound Energy and Dale Lebsack from Talen Energy will be able to respond to any questions the committee may have about the closure and its associated effects when they appear.

To the extent that the closure of units 1 and 2 may affect the operation of units 3 and 4, our companies are, with the other three co-owners of the units, analyzing that potential impact and cannot speculate as to the results of that analysis at this point.

Our companies are proud to have been part of Montana's energy sector for nearly 35 years. We have been good corporate citizens and supported the local community and state during our involvement with Colstrip. We value our long relationship with the State of Montana. We recognize the critical role that the facility plays in the energy supply picture in the state and throughout the western United States. Our companies would be more than happy to participate in future panels or attend hearings related to units 3 and 4 and we will carefully monitor your committee during the interim and in the 2021 session for those opportunities.

Respectfully submitted,



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